

Principal Adverse Impacts Statement

Söderberg & Partners Asset Management S.A. (the “**Company**”) considers principal adverse impacts of its investment decisions on sustainability factors in each fund (the “**Fund**” or “**Funds**” collectively) managed by the Company. The sustainability factors considered to be material are in the field of environmental, social and employee matters, with respect for human rights, anti-corruption and anti-bribery. Principal adverse impacts should be understood as those impacts of investment decisions that result in negative effects on sustainability factors. This statement will be reviewed at least annually, or whenever needed due to regulatory or operational changes.

1. Description of policies to identify and prioritise principal adverse sustainability impacts

The Policy for Responsible Investments, 2021-02-19, and the Policy for Shareholder Engagement, 2020-12-03, are policies applied for the assessment of principal adverse impacts. Upon and during an investment, the Company assesses and monitors indicators that are deemed to indicate the presence of a principal adverse impact. The process of managing responsible investing activities is coordinated internally within Söderberg & Partners Group, with an active input from the Company’s Responsible Investment Committee (“**RI Committee**”). The RI committee is involved in the process of updating and overseeing related policies and procedures governing the ESG management.

The Company will identify and prioritise the mandatory indicators related to principal adverse impacts on sustainability factors in accordance with the applicable Regulatory Technical Standards in relation to Article 4(6) and (7) in Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector. The Company will also identify and prioritise at least one additional indicator related to principal adverse impacts on a climate or other environment related sustainability factor that qualifies as principal and at least one additional indicator related to principal adverse impacts on a social, employee, human rights, anti-corruption or anti-bribery sustainability factor that qualifies as principal.

The primary focus of the Funds’ investments are other funds and exchange traded derivatives. The adverse impacts affect the underlying holdings and hence indirectly the Funds and the Company. The Company believes the sectors for coal, electricity, gas, steam and air conditioning supply generally contribute most to adverse impacts and the Company will work actively to reduce the aforementioned adverse impacts as well as those of other sustainability factors. The process to assess the sustainability factors, taking into account the size, the nature and scale of the activities, probability of occurrence and severity of adverse impacts, including their potentially irremediable character, is developed over time. The adverse impacts are, when available and appropriate, included in the investment analysis along with other factors.

The Company identifies principal adverse impacts on sustainability factors through various means. For example, the Company may employ external market research providers, internal financial analysts and specialists in the area of sustainable investments, use publicly available information, shared information from peer networks or engage directly with the management of companies. Where information relating to any of the indicators used is not readily available, a best effort is used to assess the adverse impacts, including a description of any reasonable assumptions used, additional research carried out, cooperation with third party data providers or use of external experts.

In evaluating principal adverse impacts, the Company is dependent upon information and data sources provided by internal teams and by external research providers, which may be incomplete,

inaccurate or unavailable. Consequently, there is a risk that the Company may incorrectly assess an adverse impact. An assessment may involve the Company's subjective judgement. As a result, there is a risk that an adverse impact may not be applied correctly. No representation nor warranty is made with respect to the fairness, accuracy or completeness of such adverse impacts.

2. Description of actions to address principal adverse sustainability impacts

The Company addresses adverse impacts with the same approach as for sustainability risks and excludes any investments that may significantly harm any environmental, social or governance (ESG) matter. The Company's main principle is to remain as owners and influence. However, the Company conducts exclusion when an underlying fund or investee company has a high sustainability risk and when the Company believes its ability to influence the fund or company to align its operations with sustainable development is limited.

Should the monitoring show that the management of the underlying fund or investee company fails to perform on issues related to ESG, the Company shall act by taking one or several of the following measures, (1) engage with the management or (2) divest its holdings.

3. Engagement policies

The primary focus of the Funds' investments are other funds and exchange traded derivatives. For these investments, the possibilities of shareholder engagement by voting are considered limited. However, the Company aims to increase the value of the Funds by showing engagement in ESG issues in the underlying holdings through three principal pillars: active engagement, positive selection and exclusion.

The Company shall take an active and responsible role as shareholder in the companies the Funds invest in. In the role as owners, the Company shall always aim for long-term values with emphasis on sustainability, activity and responsibility.

4. Adherence to international standards

The Company monitors how the investee companies adhere to international norms and conventions through a norm-based screening based on UN Global Compact and the OECD guidelines for multinational companies. The process of adherence to international standards is the same as for exclusion. The principles of the UN Global Compact are derived from: The Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption. The OECD Guidelines set standards for responsible business conduct across human rights, labour rights and the environment.

The Company recognises the importance of participating in international initiatives that support businesses to operate in a more sustainable manner. The Company has signed the United Nations Principles for Responsible Investment (PRI), which is the leading international initiative for responsible investment for companies in the financial sector. Söderberg & Partners is also a member of Swesif, which is an independent and non-profit organization advocating for sustainable investment in Sweden.

5. Reporting

Details of the assessment of principal adverse sustainability impacts will be published annually on the Company's website. The first reporting period will cover 1 January 2022 – 31 December 2022.